

# 2011 Property Tax Report

## Rush County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Rush County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Rush County

The average homeowner saw a 1.5% tax bill increase from 2010 to 2011.
Homestead taxes in 2011 were still 24.0% lower than they were in 2007, before the property tax reforms.
89.8% of homeowners saw lower tax bills in 2011 than in 2007.
53.2% of homeowners saw tax increases of between 1% and 9% from 2010 to 2011.
The largest percentage of homeowners have seen between a 10% and 39% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	2,556	59.2%	408	9.4%
No Change	245	5.7%	32	0.7%
Lower Tax Bill	1,517	35.1%	3,878	89.8%
<b>Average Change in Tax Bill</b>	<b>1.5%</b>		<b>-24.0%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	135	3.1%	146	3.4%
10% to 19%	122	2.8%	68	1.6%
1% to 9%	2,299	53.2%	194	4.5%
0%	245	5.7%	32	0.7%
-1% to -9%	1,272	29.5%	340	7.9%
-10% to -19%	129	3.0%	701	16.2%
-20% to -29%	46	1.1%	1,042	24.1%
-30% to -39%	19	0.4%	687	15.9%
-40% to -49%	9	0.2%	421	9.7%
-50% to -59%	7	0.2%	206	4.8%
-60% to -69%	10	0.2%	146	3.4%
-70% to -79%	4	0.1%	83	1.9%
-80% to -89%	3	0.1%	59	1.4%
-90% to -99%	2	0.0%	55	1.3%
-100%	16	0.4%	138	3.2%
<b>Total</b>	<b>4,318</b>	<b>100.0%</b>	<b>4,318</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

★★★★★  
 LOSS OF STATE HOMESTEAD  
 CREDIT AND LOWER LOCAL  
 HOMESTEAD CREDITS RAISED  
 HOMEOWNER TAX BILLS,  
 DESPITE A DROP IN TAX RATES  
 ★★★★★

#### Homestead Property Taxes

Homestead property taxes increased 1.5% on average in Rush County in 2011. This was less than the state average of 4.4%. Rush County homestead taxes were still 24% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.1% in Rush County in 2010. In addition, Rush County's local homestead credit declined in 2011, due to a drop in the local income tax revenues that fund it. A drop in tax rates partly offset the effects of lower credits on homestead tax bills.

#### Tax Rates

Property tax rates declined in all Rush County tax districts. The average tax rate declined by 4.6% because of an increase in net assessed value coupled with a reduction in the levy. Levies in Rush County were reduced by 3.0%. The biggest levy reductions were in the county general, reassessment, cumulative hospital, and health funds. Rush County's total net assessed value increased 2.0% in 2011. (The certified net AV used to compute tax rates rose by 1.6%.) Homestead net assessments increased by 0.7%, and agricultural net assessments increased by 3.6%. Other residential assessments showed a decrease of 1.1%, while business net assessments increased by 0.9%.

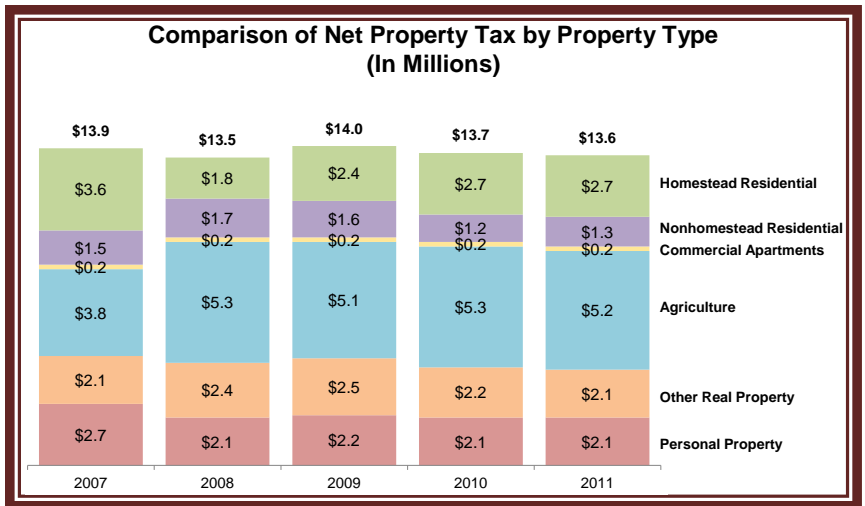
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*TAX DECREASES FOR BUSINESS,  
APARTMENTS, AND AGRICULTURE;  
INCREASES FOR OTHER RESIDENTIAL*

★★★★★★

### Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers fell 1.3% in Rush County in 2011, compared to a statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increased by 2.2%. Tax bills for commercial apartments fell 3.8%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment – decreased by 0.9 %. Declines in tax bills resulted from lower tax rates in Rush County in 2011. Agricultural tax bills fell 3.1%, despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



### Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS DECREASED  
SLIGHTLY IN 2011*

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Total tax cap credit losses in Rush County were \$1.5 million, or 9.6% of the levy. This was near the state average loss rate of 9.2%, but above the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Rush County had two tax districts with tax rates well above \$3 per \$100 assessed value.

More than half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 3% homestead category. The largest percentage losses were in the city of Rushville and town of Carthage, and the Rushville and Carthage-Henry Hensley library districts. The largest dollar losses were in Rushville City, the Rush County School Corporation, and the county unit.

Rush County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$52,258	\$862,650	\$586,984	\$49,878	\$1,551,770	9.6%
2011 Tax Cap Credits	75,771	903,294	480,180	51,307	1,510,552	9.6%
Change	\$23,513	\$40,643	-\$106,804	\$1,429	-\$41,218	0.0%

Tax cap credits decreased slightly in Rush County in 2011 by \$41,218, or 3%. The reduced credits

represent little added gain in the total tax levy. All of the decrease in tax cap credits was in the 3% tax cap category, which covers business property. This reduction was the result of declines in tax rates in the two taxing districts with rates above \$3 per \$100. The elimination of the state homestead credit and the drop in local income tax revenue that funds local homestead credits caused much of the 1% tax cap credit increase.

### The Effect of Recession

The 2009 recession had an effect on Rush County assessments for pay-2011. Nonagricultural property values and construction activity appear to have fallen in Rush County in 2009, but increases in agricultural assessments more than offset this decline. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead credit. Rush local governments reduced their tax levies overall in 2011, so the sluggish growth in assessments did not produce increases in tax cap credit losses.

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*2009 RECESSION REDUCED  
NONAGRICULTURAL ASSESSMENTS IN 2011*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$518,443,200	\$515,639,298	-0.5%	\$202,354,818	\$203,816,520	0.7%
Other Residential	55,964,900	55,046,400	-1.6%	54,310,340	53,707,160	-1.1%
Ag Business/Land	367,533,900	380,863,650	3.6%	367,057,550	380,402,990	3.6%
Business Real/Personal	223,838,780	223,143,072	-0.3%	184,321,854	186,067,526	0.9%
<b>Total</b>	<b>\$1,165,780,780</b>	<b>\$1,174,692,420</b>	<b>0.8%</b>	<b>\$808,044,562</b>	<b>\$823,994,196</b>	<b>2.0%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

### Rush County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	19,520,119	21,589,661	15,245,852	15,741,873	15,268,739	10.6%	-29.4%	3.3%	-3.0%
State Unit	18,783	20,371	0	0	0	8.5%	-100.0%		
Rush County	4,396,088	5,008,758	4,386,937	4,070,945	3,451,913	13.9%	-12.4%	-7.2%	-15.2%
Anderson Township	38,942	40,715	41,970	43,121	44,135	4.6%	3.1%	2.7%	2.4%
Center Township	28,266	30,448	31,501	32,322	33,384	7.7%	3.5%	2.6%	3.3%
Jackson Township	31,356	33,908	34,265	36,848	19,348	8.1%	1.1%	7.5%	-47.5%
Noble Township	11,589	12,008	12,443	12,648	7,890	3.6%	3.6%	1.6%	-37.6%
Orange Township	6,590	6,840	7,133	7,236	5,671	3.8%	4.3%	1.4%	-21.6%
Posey Township	57,404	60,451	61,059	63,805	63,554	5.3%	1.0%	4.5%	-0.4%
Richland Township	12,417	13,074	13,596	13,882	6,858	5.3%	4.0%	2.1%	-50.6%
Ripley Township	64,534	67,495	70,061	83,060	74,276	4.6%	3.8%	18.6%	-10.6%
Rushville Township	59,193	62,531	88,534	87,356	89,873	5.6%	41.6%	-1.3%	2.9%
Union Township	11,794	12,148	12,837	13,018	6,651	3.0%	5.7%	1.4%	-48.9%
Walker Township	20,309	17,184	17,496	12,893	13,336	-15.4%	1.8%	-26.3%	3.4%
Washington Township	33,211	34,290	35,796	36,456	31,922	3.2%	4.4%	1.8%	-12.4%
Rushville Civil City	3,483,893	3,571,532	3,595,849	3,724,908	3,779,715	2.5%	0.7%	3.6%	1.5%
Carthage Civil Town	146,749	152,984	155,313	155,294	163,396	4.2%	1.5%	0.0%	5.2%
Glenwood Civil Town	35,777	37,733	38,707	38,291	39,617	5.5%	2.6%	-1.1%	3.5%
Charles A. Beard Memorial School Corp	1,392,626	1,417,540	735,645	898,509	912,907	1.8%	-48.1%	22.1%	1.6%
Rush County School Corp	9,445,938	10,761,105	5,572,260	6,062,446	6,169,607	13.9%	-48.2%	8.8%	1.8%
Carthage-Henry Hensley Public Library	1,759	1,857	1,933	1,977	2,037	5.6%	4.1%	2.3%	3.0%
Rushville Public Library	222,901	226,689	235,964	247,080	250,430	1.7%	4.1%	4.7%	1.4%
Rush County Solid Waste Mgt Dist	0	0	96,553	99,778	102,219			3.3%	2.4%
Rushville Redevelopment Comm	0	0	0	0	0				

### Rush County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
70001	Anderson Township	1.3386	--	--	30.2523%	--	--	--	0.9336
70002	Center Township	1.3314	--	--	9.1560%	--	--	--	1.2095
70003	Jackson Township	1.3215	--	--	13.8481%	--	--	--	1.1385
70004	Noble Township	1.2857	--	--	20.0432%	--	--	--	1.0280
70005	Orange Township	1.2802	--	--	22.5122%	--	--	--	0.9920
70006	Posey Township	1.3851	--	--	13.0418%	--	--	--	1.2045
70007	Richland Township	1.2879	--	--	35.6870%	--	--	--	0.8283
70008	Ripley Township	1.8768	--	--	1.7513%	--	--	--	1.8439
70009	Carthage	2.9881	--	--	7.4245%	--	--	--	2.7662
70010	Rushville Township	1.3407	--	--	24.7845%	--	--	--	1.0084
70011	Rushville City	3.8150	--	--	25.1427%	--	--	--	2.8558
70012	Union Township	1.2825	--	--	15.5085%	--	--	--	1.0836
70013	Glenwood City	2.7967	--	--	0.3807%	--	--	--	2.7861
70014	Walker Township	1.2975	--	--	26.6638%	--	--	--	0.9515
70015	Washington Township	1.3439	--	--	23.2348%	--	--	--	1.0316
70016	Rushville City-Jackson	3.8124	--	--	--	--	--	--	3.8124

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

# Rush County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total		
<i>Non-TIF Total</i>	75,771	903,145	480,180	51,307	1,510,403	15,268,739	9.9%
<i>TIF Total</i>	0	149	0	0	149	470,399	0.0%
<i>County Total</i>	75,771	903,294	480,180	51,307	1,510,552	15,739,138	9.6%
Rush County	8,589	103,087	53,559	7,223	172,458	3,451,913	5.0%
Anderson Township	0	0	0	22	22	44,135	0.0%
Center Township	0	0	0	12	12	33,384	0.0%
Jackson Township	2	7	133	5	148	19,348	0.8%
Noble Township	0	0	0	4	4	7,890	0.0%
Orange Township	0	0	0	3	3	5,671	0.1%
Posey Township	0	0	0	83	83	63,554	0.1%
Richland Township	0	0	0	2	2	6,858	0.0%
Ripley Township	78	1,357	0	178	1,613	74,276	2.2%
Rushville Township	296	3,404	1,816	292	5,809	89,873	6.5%
Union Township	0	16	0	3	18	6,651	0.3%
Walker Township	0	0	0	9	9	13,336	0.1%
Washington Township	0	0	0	10	10	31,922	0.0%
Rushville Civil City	44,756	515,730	298,647	25,275	884,408	3,779,715	23.4%
Carthage Civil Town	1,344	25,558	0	1,053	27,955	163,396	17.1%
Glenwood Civil Town	88	4,217	0	174	4,479	39,617	11.3%
Charles A. Beard Memorial School Corp	1,615	29,203	0	2,557	33,375	912,907	3.7%
Rush County School Corp	15,765	183,025	104,651	12,502	315,943	6,169,607	5.1%
Carthage-Henry Hensley Public Library	17	319	0	13	349	2,037	17.1%
Rushville Public Library	2,965	34,170	19,787	1,675	58,598	250,430	23.4%
Three Rivers Solid Waste Mgt Dist	0	0	0	0	0	0	
Rush County Solid Waste Mgt Dist	254	3,053	1,586	214	5,107	102,219	5.0%
Rushville Redevelopment Comm	0	0	0	0	0	0	
TIF - Rushville City Jackson	0	0	0	0	0	469,895	0.0%
TIF - Expanded Alloc #1-Jackson Twp	0	0	0	0	0	192	0.0%
TIF - Allocation #2-City Of Rushville	0	149	0	0	149	312	47.6%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

## Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.